

Overview of process after POHP-PH funds are awarded:

1. Submissions prior to signing Loan Commitment agreement. After signing the Loan Commitment Agreement, rehab work can begin. **NOTE: Starting rehabilitation work prior to receiving a fully signed Loan Commitment agreement from Minnesota Housing is not advisable.**
2. Submissions prior to scheduling the end loan closing (submitted within 60 days of rehab work completion). Closing occurs (loan documents are signed; funds are disbursed to pay off interim construction lenders and to pay for soft costs, if applicable).

**1. Submissions prior to signing loan commitment agreement:**

DOCUMENT	REQUIREMENTS
Sources and Uses Worksheet	An updated Sources and Uses Worksheet must be completed and submitted (if there were changes to the development budget and sources after application was submitted and funds awarded).
Rehab Scope - Rehabilitation	Minnesota Housing's architectural review of existing buildings will vary depending upon the proposed scope of work and its degree of complexity. Substantial rehabilitation projects will more closely follow the same review process as for new construction. Rehabilitation may or may not require architectural plans and specifications, but will likely require analysis of construction materials and quality based on contractor bids. Refer to Minnesota Housing's <a href="#">Architect's Building Standards guide</a> when an architect is required.
Environmental (if applicable)	<b>A Phase I Environmental Site Assessment may be required (at Minnesota Housing staff architect's discretion) if Minnesota Housing's loan amount exceeds \$300,000.</b> The Phase I Environmental Site Assessment must be dated no older than one year. <ul style="list-style-type: none"> <li>• Comprehensive Lead-based Paint and Asbestos-containing Materials surveys are required for the entire property – not just rehabilitated areas.</li> <li>• Abatement plan is required for hazardous materials to be abated during rehabilitation</li> <li>• Operations &amp; Maintenance (O&amp;M) Plan is required for all hazardous materials that will remain <u>after</u> rehabilitation.</li> </ul> Refer to the following guides: <ul style="list-style-type: none"> <li>• <a href="#">Phase I Environmental Assessment</a></li> <li>• <a href="#">Asbestos Inspection Survey</a></li> <li>• <a href="#">Lead-Based Paint</a></li> </ul>

## 1. Submissions prior to signing loan commitment agreement (continued):

DOCUMENT	REQUIREMENTS
<b>B3 (Buildings, Benchmarks and Beyond)</b> (or if B3 is waived, then Limited Scope)	B3 is the State of Minnesota's Sustainable Building Design Requirements (Buildings, Benchmarks and Beyond). Projects will need to either comply with B3 or be approved by the Center for Sustainable Building Research as "non-applicable." If the project is deemed "non-applicable", and receives a B3 waiver the Minnesota Housing's <a href="#">Limited Scope Sustainability form</a> must be completed. Refer to the following for more detail regarding B3 requirements: <a href="http://www.msbg.umn.edu/">http://www.msbg.umn.edu/</a>
<b>100% Bid / Construction Documents</b> (if applicable)	<b>This may be waived, at the sole discretion of the Minnesota Housing staff architect, based upon the project scope of work.</b>  100% Bid/Construction Documents [comprised of plans and project manual, specifications of architectural, structural, mechanical, electrical, landscaping, civil engineering and other construction-related fields of expertise as necessary]. Approval is given by the Minnesota Housing staff architect when all plan review comments and requirements noted during the review process are incorporated in the 100% construction documents, be it design modification, construction materials issues, or construction methods.  Submit to the Minnesota Housing staff architect the following: <ul style="list-style-type: none"> <li>(1) One full size, bound hard copy of the plans;</li> <li>(2) One bound hard copy of the project manual/specifications; and</li> <li>(3) Electronic version in pdf format of the plans and project manual/specifications.</li> </ul>
<b>Equal Opportunity Policy Statement</b> (MH Form)	Minnesota Housing is committed to equal housing and equal employment opportunity. The <a href="#">Equal Employment Opportunity Policy Statement</a> form must be submitted by the owner and general contractor.
<b>Affirmative Fair Housing Marketing Plan</b> (MH Form)	The Affirmative Fair Housing Marketing Regulations require that each applicant carry out an affirmative marketing program to attract prospective buyers or tenants of all majority and minority groups in the housing market area regardless of race, creed, color, religion, sex, national, origin, marital status, status with regard to receipt of public assistance, disability or familial status. The applicant describes on this form the activities it proposes to carry out during advance marketing, where applicable, and the initial sales or rent up period. The affirmative marketing program also should assure that any group(s) of persons normally NOT likely to apply for the housing without special outreach efforts (because of existing neighborhood racial or ethnic patterns, location of housing in the SMSA, or price or other factors), know about the housing, feel welcome to apply and have the opportunity to buy or rent. Complete the <a href="#">Affirmative Fair Housing Marketing Plan (AFHMP)</a> .
<b>Authority's Enabling Resolution</b>	Enabling resolution and minutes from the government entity establishing the Authority.
<b>Legal Description of the Property</b>	Either a title policy or HUD's Deed of Trust showing the legal description of the subject Property is required.

**End – submissions prior to signing loan commitment agreement**

## 2. Submissions prior to scheduling the end loan closing:

DOCUMENT	REQUIREMENTS
<b>Authority's Certified By-laws</b> (MH form of Certification)	Certified Bylaws and any and all amendments must be submitted. The Certification must be dated within <b>90 days</b> of closing; and must be signed by the secretary of the Authority. Minnesota Housing's form of Certification must be used, contact your Minnesota Housing closer for more details.
<b>Authority's Borrowing Resolution</b> (MH form)	<p>A <u>draft copy</u> of the Resolution adopted by the Authority's governing board must include the following:</p> <ul style="list-style-type: none"> <li>• authorization to borrow funds from Minnesota Housing and stating the amount of borrowing authority;</li> <li>• authorization to execute any and all Minnesota Housing loan documents (including, but not limited to, a Repayment Agreement, Declarations);</li> <li>• contains the address of the development;</li> <li>• identifies authorized signers and their titles;</li> <li>• contains a paragraph stating that: "Minnesota Housing Finance Agency is authorized to rely on the continuing force and effect of the Resolution until receipt by the Commissioner of Minnesota Housing, at its principal office, of notice in writing from the Authority of any amendments or alterations thereof"; and</li> <li>• must be dated within <b>90 days</b> of closing.</li> </ul> <p>Minnesota Housing form must be used, contact your Minnesota Housing closer for more details.</p> <p><b><u>At closing:</u> The original signed Resolution (or a Certified copy) must be delivered prior to or at closing, when scheduled.</b></p>
<b>Updated Sources and Uses Worksheet</b> (if applicable)	An updated Sources and Uses Worksheet must be completed and resubmitted (if there were changes to the development budget and sources <u>after</u> the loan commitment agreement was signed).
<b>Consent Letters (Jr. Lien Approval) from any existing lenders (excluding U.S. Dept. of HUD)</b> (MH form)	<p>A letter from each existing mortgage holder is required addressed to Minnesota Housing indicating:</p> <ul style="list-style-type: none"> <li>• the lender's consent to Minnesota Housing's loan and loan documents, and specifying the amount of the Minnesota Housing's loan;</li> <li>• identifying the loan documents they are consenting to; and</li> <li>• indicating that the Minnesota Housing loan(s), with the passing of time, does not create an event of default under the lender's loan documents.</li> </ul> <p>Minnesota Housing form must be used, contact your Minnesota Housing closer for more details.</p>
<b>Loan documents (in draft form) from other Lenders providing new financing and closing simultaneously with Minnesota Housing's POHP-PH loan</b> (if applicable)	<p>Due to a lender(s) varying requirements, the documents will be reviewed for conflicting requirements that may need to be resolved prior to closing. Examples: loan terms, rent and income requirements, use of loan proceeds.</p> <p><b><u>At closing,</u> signed Lender loan documents must be delivered to Minnesota Housing.</b></p>
<b>Owner's Evidence of Property and Liability Insurance</b>	<p>All Insurers must be authorized to transact business in the State of Minnesota and must have a Best's rating of A- or better (refer to <a href="http://www.ambest.com">www.ambest.com</a> for rating information).</p> <p>Minnesota Housing's insurance requirements can be found at:  <a href="http://www.mnhousing.gov/wcs/Satellite?c=Page&amp;cid=1358905268966&amp;pagename=External%2FPages%2FEXTStandardLayout">http://www.mnhousing.gov/wcs/Satellite?c=Page&amp;cid=1358905268966&amp;pagename=External%2FPages%2FEXTStandardLayout</a></p>

## 2. Submissions prior to scheduling the end loan closing (continued):

DOCUMENT	REQUIREMENTS
<b>Payoff Letter(s) from Interim Construction Lender(s)</b>	Payoff letter(s) from lender(s) who has/have provided interim loan(s) for the rehabilitation and related costs of the development for which Minnesota Housing funds will be used to pay off said interim loan(s) at the closing. The payoff letter must include the principal and per diem of interest that is due as of a date of closing of the Minnesota Housing loan.
<b>Evidence of payment for Soft Costs (<i>costs not included in the Construction Contract</i>)</b>	Submit cancelled checks for costs not included in the construction contract (i.e., legal fees, environmental, title and recording fees, etc.)
<b>Certificate(s) of Substantial Completion.</b>	Submitted by the Architect, a qualified Rehabilitation Specialist or General Contractor on Form AIA G704. The completed Punch List(s) shall also be submitted.
<b>100% Completion- written confirmation.</b> (If applicable)	Written confirmation from Architect, qualified Rehabilitation Specialist or General Contractor that all work, including punch list items, has been completed.
<b>Certificate of Occupancy</b>	Issued by the local municipality or evidence that all permits are closed out for occupied building type projects.
<b>Applicable Environmental Documentation</b>	<ul style="list-style-type: none"> <li>▪ Lead Hazard Evaluation and Reduction Summary</li> <li>▪ Lead Clearance Reports</li> <li>▪ Asbestos O&amp;M Plans</li> <li>▪ MPCA Closeout</li> </ul>
<b>Sworn Construction Statement</b>	Submit AIA G703, Final General Contractor's Pay Application, or other Minnesota Housing approved format.
<b>Electronic Archive Contract Documents</b>	The Minnesota Housing approved set of Contract Documents including plans, specifications and addenda shall be submitted in a PDF electronic format.
<b>Photos of Completed Work</b> (may be waived)	Digital photos showing a limited to a typical sampling of work completed.
<b>Jobs Reporting</b>	POHP-PH funded projects are required to provide the following information: the number and types of jobs for each project, whether the jobs are new or retained, where the jobs are located, and pay ranges of the jobs. PHAs must include the <a href="#">Jobs Reporting Provision language</a> in any contracts between the PHA and the Contractor and the Contractor and any Subcontractors. PHAs must also work with contractors to ensure the information in the <a href="#">Jobs Reporting Attachment</a> of the Repayment Agreement is completed. <b>Note:</b> A Jobs Reporting Attachment must be completed for each approved project.

**End submissions prior to scheduling the end loan closing**